

FEB 18 2005

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA**  
1333 H STREET, N.W., 2<sup>nd</sup> Floor, West Tower  
WASHINGTON, D.C. 20005

**NOTICE OF FINAL RULEMAKING**

**FORMAL CASE NO. 945, IN THE MATTER OF THE INVESTIGATION INTO  
ELECTRIC SERVICE MARKET COMPETITION AND REGULATORY PRACTICES**

1. The Public Service Commission of the District of Columbia ("Commission") hereby gives notice, pursuant to Sections 2-505 (a), 34-302, and 34-1516 of the District of Columbia Code,<sup>1</sup> of its final rulemaking action taken on February 10, 2005, in Order No. 13501, adopting the attached new Chapter 9 of Title 15 DCMR governing Net Energy Metering in the District of Columbia.

2. The Commission published a Notice of Proposed Rulemaking ("NOPR") on October 8, 2004, at 51 *D.C. Reg.* 9462-9465 (2004). Comments were filed by the Office of People's Counsel, and the Potomac Electric Power Company and Washington Gas Energy Services, Inc. in response to the NOPR.<sup>2</sup> The Commission made clarifying changes to the regulations. The Commission's changes do not substantially change the intent, meaning, or application of the proposed rules or exceed the scope of the rules published in the NOPR. Additional copies of the final rules may be obtained by writing Christine D. Brooks, Commission Secretary, Public Service Commission of the District of Columbia, 1333 H Street, N.W., 2<sup>nd</sup> Floor, West Tower, Washington, D.C. 20005.

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<sup>1</sup> D.C. Code, 2001 Ed. §§ 2-505, 34-320, and 34-1516.

<sup>2</sup> *Formal Case No. 945*, Comments of the Office of the People's Counsel on the Notice of Proposed Rulemaking Regarding Net Energy Metering, filed November 8, 2004; Reply Comments of Potomac Electric Power Company, filed November 22, 2004; Reply Comments of Washington Gas Energy Services, filed December 8, 2004; Motion for Leave to File Reply Comments and Reply Comments of the Office of the People's Counsel on Reply Comments of Potomac Electric Power Company, filed December 22, 2004.

**CHAPTER 9 NET ENERGY METERING****900 GENERAL PROVISIONS; SCOPE AND APPLICABILITY**

- 900.1 The purpose of this chapter is to set forth the policies and procedures for implementation of the net energy metering provisions of the "Retail Electric Competition and Consumer Protection Act of 1999," as amended.
- 900.2 This chapter establishes the Public Service Commission of the District of Columbia Rules and Regulations Governing Net Energy Metering, including eligibility for participating in net energy metering, a bill crediting mechanism for participants, net metering-related equipment requirements, a standard contract requirement, and safety and performance standards. This chapter shall be cited as the "District of Columbia Net Energy Metering Rules."
- 900.3 The provisions of this chapter are promulgated pursuant to the authority set forth in Section 34-1518 of the D.C. Code.

**901 ELIGIBLE CUSTOMER-GENERATORS**

Eligible customer-generators may elect and shall be afforded the opportunity to participate in net energy metering. An eligible customer-generator's net energy metering system for renewable resources, cogeneration, fuel cells, and microturbines shall meet all applicable safety and performance standards established by the National Electrical Code ("NEC"), National Electrical Safety Code ("NESC"), the Institute of Electrical and Electronics Engineers ("IEEE"), Underwriters Laboratories ("UL") and any other relevant standards specified by the Commission.

**902 NET ENERGY BILLING**

- 902.1 This section governs the annualized bill crediting mechanism applicable to customer-generators that generate electricity during a billing period.
- 902.2 If the electricity supplied during the billing period by the Standard Offer Service ("SOS") Provider or Competitive Electricity Supplier exceeds the electricity generated by the customer-generator during that period, the customer-generator will be billed for the net energy supplied at the full retail rate for electricity service.
- 902.3 If the electricity generated by the customer-generator in a billing period exceeds that supplied by the SOS Provider or Competitive Electricity Supplier during that period (excess generation), the customer-generator's next bill(s) will be credited for the excess generation during the period in which the excess generation occurred, at the full retail rate for the kilowatt-hours provided during the billing

period. The excess shall be applied to the customer generator's bill as a reduction in the customer generator's kilowatt-hour usage.

~~902.4 An eligible customer generator may accumulate unused kilowatt-hour credits and apply them against kilowatt-hour usage over a 12-month period. All crediting of excess generation, as defined in Section 902.3 of these rules, shall terminate at the earlier of: (a) the end of a 12-month period, the first month of which shall be the first month in which the customer generator provides excess generation to the SOS Provider or Competitive Electricity Supplier, or (b) when the customer generator switches suppliers. A new 12-month period shall commence as of the first month following the prior 12-month period during which the customer generator provides excess generation to the SOS provider or a Competitive Electricity Supplier.~~

~~902.5 When crediting of excess generation terminates, as provided in Section 902.4 of these rules, any remaining carry-over balance (credit) will be removed from the customer generator's account. The customer generator will receive no compensation for such unused kilowatt-hours.~~

### **903 NET METERING-RELATED EQUIPMENT**

903.1 The metering equipment installed for net energy metering shall be capable of measuring the flow of electricity in two directions.

903.2 Nothing in this section shall prohibit the Electric Company from installing additional meters to separately record electricity supplied to an eligible customer-generator from the electric grid and the electricity generated and supplied to the electric grid by the eligible customer-generator, provided, however, that no customer-generator that elects to be billed on a net energy basis shall be charged directly for the cost of the additional meters or other necessary equipment.

### **904 STANDARD CONTRACT**

904.1 The Electric Company shall develop a standard contract, which shall be subject to the review and approval of the Commission. Such standard contract shall be consistent with the provisions of this chapter.

### **905 WAIVER**

905.1 Upon request of any person subject to this chapter or upon its own motion, the Commission may, for good cause, waive any requirement of this chapter that is not required by statute or inconsistent with the purposes of this chapter.

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**DEFINITIONS**

When used in this chapter, the following terms and phrases shall have the following meaning:

**"Commission"** means the Public Service Commission of the District of Columbia.

**"Competitive Electricity Supplier"** means a person, including an aggregator, broker, or marketer, who generates electricity; sells electricity; or purchases, brokers, arranges, or markets electricity for sale to retail customers. The term excludes the following: (A) Building owners, lessees, or managers who manage the internal distribution system serving such building and who supply electricity solely to occupants of the building for use by the occupants; (B)(1) Any person who purchases electricity for its own use or for the use of its subsidiaries or affiliates; or (2) Any apartment building or office building manager who aggregates electric service requirements for his or her building or buildings, or who does not: (a) Take title to the electricity; (b) Market electric services to the individually-metered tenants of his or her building; or (c) Engage in the resale of electric service to others; (C) Property owners who supply small amounts of power, at cost, as an accommodation to lessors or licensees of the property; and (D) A consolidator.

**"Customer-generator"** means a residential or commercial customer that owns and operates an electric generating facility that: (a) has a capacity of not more than 100 kilowatts; (b) uses renewable resources, cogeneration, fuel cells, or microturbines; (c) is located on the customer's premises; (d) is interconnected with the Electric Company's transmission and distribution facilities; and (e) is intended primarily to offset all or part of the customer's own electricity requirements.

**"Electric Company"** means the company that provides distribution service.

**"Eligible customer-generator"** means a customer-generator whose net energy metering system for renewable resources, cogeneration, fuel cells, and microturbines meets all applicable safety and performance standards.

**"Net energy"** means the difference between the kilowatt-hours consumed by a customer-generator and the kilowatt-hours generated by the customer-generator's facility over any time period determined as if measured by a single meter capable of registering the flow of electricity in two directions.

**"Net energy billing"** means a billing and metering practice under which a customer-generator is billed on the basis of net energy over the billing period ~~taking into account accumulated unused kilowatt hour credits from the previous billing period.~~

**“Standard Offer Service Provider”** means a provider of standard offer service chosen pursuant to Chapter 29 of the Commission’s rules.